

SECRET

February 28, 1958

Prisoner
John P
Joe M
File

Dear Hazel:

Enclosed are two copies of the executed contract AF33(600) 36373. Please note that in accordance with our agreement I have struck clause 26 and have added the agreed upon language under the alterations clause. I have also enclosed the last page to the copy of the contract which I have retained for our files.

As we discussed, we are somewhat concerned with Part II, Period of Performance. As you are aware our progress under this contract is greatly dependent upon the progress of [REDACTED] 25X1A
Although our work commenced in November, [REDACTED] did not commence 25X1A
work until about January 1. We have, therefore, not achieved the progress one would normally expect because of this difference in starting dates.

Correspondingly with the concern of time, the scope of work and our ability to accomplish the desired end results is directly dependent upon the accomplishments of [REDACTED] 25X1A
Failure on its part to accomplish their desired end may well mean that we also could not obtain the desired results. With this interpretation of this clause, it appears satisfactory.

Enclosed also is our invoice number 3 covering the costs expended in January. As previously discussed, the tax must be computed as 1.5% of the total selling price which includes the tax. As an example, on the attached invoice the tax is figured as follows:

Total cost is \$11,544.86 which is 98.5% of the total selling price. Divide \$11,544.86 by .985 to obtain the total selling price of \$11,720.67. The difference between the two dollar figures is the amount of tax or \$175.81.

On the basis of the above, our last two invoices are correct and we were underpaid in the total amount of \$1.97.

Thank you for your consideration of the above.

Sincerely,

BA

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DOCUMENT NO. _____
NO CHANGE IN CLASS. ☒
IT DECLASSIFIED
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